ANNUAL REPORT
2004 / 2005

FINANCIAL INSTITUTIONS COMMISSION

BRITISH COLUMBIA

DOC
BC
F5125
B
2004/05
c.3

LEGISLATIVE LIBRARY
NOV 14 2005

106-01333/

LEGISLATIVE LIBRARY OF BRITISH COLUMBIA
3 3298 00310 5468

FINANCIAL INSTITUTIONS COMMISSION

- Superintendent of Financial Institutions
- Superintendent of Pensions
- Superintendent of Real Estate
- Registrar of Mortgage Brokers
- Credit Union Deposit Insurance Corporation

BRITISH COLUMBIA

National Library of Canada Cataloguing in Publication Data
British Columbia. Financial Institutions Commission.
Annual report. — 1991/92-

Annual.
Merger of: British Columbia. Dept. of Insurance. Annual report of the Superintendent of Insurance. ISSN 0704-8540; and Credit Union Deposit Insurance Corporation of British Columbia. Annual report.
Also available on the Internet.
ISSN 0704-8580 = Annual report - British Columbia. Financial Institutions Commission.

1. British Columbia. Financial Institutions Commission - Periodicals. 2. Credit Union Deposit Insurance Corporation of British Columbia - Periodicals. 3. Financial institutions - British Columbia - Periodicals. 4. Insurance - British Columbia - Periodicals. 5. Pensions - British Columbia - Periodicals. I. Title.

HG2709.C3B74 354.7110082'5'05 C92-092277-5

TABLE OF CONTENTS

Introduction 1

Vision, Mission and Values 2

Commissioners and Executive 3

Report of the Commission Chair 5

Report of the Superintendent and CEO 9

FICOM's Role and Responsibilities 11

Core Business Areas and Organization of FICOM 12

Service Plan Report 15

Regulation of Credit Unions and Trusts 16

Regulation of Insurers 23

Regulation of Pension Plans 28

Regulation of Real Estate and Mortgage Brokers 33

Investigations 38

Administration 41

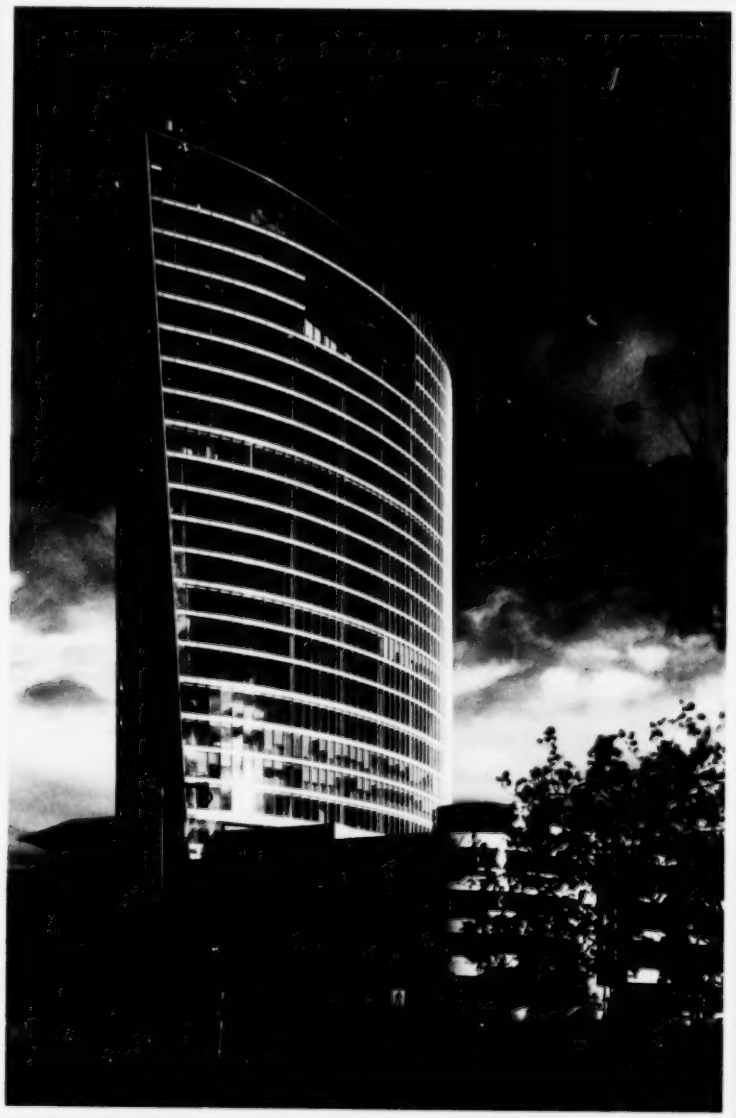
FICOM Financial Report 42

Report on the Credit Union Deposit Insurance Corporation 45

Auditor's Report on the Credit Union Deposit Insurance Corporation 49

Contact Information 61

We've moved...



On April 2, 2005, FICOM relocated to
Suite 1200 – 13450 102nd Avenue in Surrey, British Columbia, V3T 5X3

INTRODUCTION

FICOM's annual report is published to provide citizens, stakeholders and researchers with information about both the regulation of financial services in British Columbia and the effectiveness of FICOM as a financial services regulator.

Under the *Budget Transparency and Accountability Act*, the Government of British Columbia's Treasury Board sets guidelines for service plans and annual reports prepared and published by government organizations.

All service plans must present organizational goals and identify performance measures for tracking the achievement of these goals. They are published in tandem with the BC government's budget — which is ordinarily introduced to the legislature in February — in advance of the corresponding fiscal year.

Annual reports subsequently address the organization's performance in reaching service plan identified goals and must be published by August 31 following the fiscal year.

This schedule causes an overlap in service plans and annual reports. When annual reports are released, they correspond to the service plan that was published approximately eighteen months prior, and not the service plan that was published immediately prior.

This annual report covers the activities of FICOM in its 2004/2005 fiscal year — the period April 1, 2004, through March 31, 2005.

VISION, MISSION AND VALUES

Vision

To be the most progressive and cost-effective regulator in Canada of financial services, pensions, and real estate services: protecting the public interest, keeping pace with industry change, and leading effective regulatory reform.

Mission

Maintain confidence in British Columbia's financial services sector by effective regulation.

Values

Our actions are guided by the following values:

Effectiveness – We focus on obtaining results, even when they are difficult to measure, rather than on activities. We anticipate problems before they arise and address them in a timely manner.

Integrity – We value honesty, cooperation, transparency, reliability, fairness and respect within the workplace and demonstrate these qualities in the exercise of our regulatory function.

Professionalism – We take pride in the quality of our work and continually strive to improve ourselves by seeking knowledge, revising our methods and providing innovative solutions.

Accountability – We are accountable for the decisions we make.

FICOM COMMISSIONERS

Chair	J. Stewart Cunningham
Commissioners	Tamara Vrooman (*ex officio*)
	John Dawson
	Vickie McDonnell
	Janet Pau

FICOM EXECUTIVE MANAGEMENT

Chief Executive Officer	W. Alan Clark
Deputy Superintendent, Credit Unions and Trusts	L. Jay Mitchell
Deputy Superintendent, Insurance	Michael Grist
Deputy Superintendent, Pensions	Michael Peters
Deputy Superintendent, Real Estate and Deputy Registrar, Mortgage Brokers	John I. Nunez
Executive Director, Investigations	Kenneth J. Fraser
Executive Director, Operational Services	Garry E. Wadham
Executive Director, Administrative Services	Nick Miller

Note: All positions listed effective March 31, 2005.

REPORT OF THE COMMISSION CHAIR

May 6, 2005

The past year started with the appointment of four new Commissioners one of whom was a new designate of the Deputy Minister of Finance. I would therefore like to welcome these new Commissioners — John Dawson, Vickie McDonnell, Janet Pau and Tamara Vrooman Deputy Minister of Finance designate Joann Cain and wish them well in their future deliberations. After the end of the year a Vice-Chair for the Commission was appointed and I am very pleased to welcome John Dawson to that position.

At the start of the year the principal outstanding issue was the size of the deposit insurance fund. With the assistance of a professional actuary and a review of CUDIC's liabilities, the Commission, in its role as the CUDIC Board of Directors, decided that 0.84% (84 basis points) of credit union assets was an appropriate target size for this fund. Subsequently, agreement was reached with the credit union system and with Stabilization Central Credit Union concerning the holding of the funds necessary to achieve this target. It is therefore a particular pleasure to report that credit union depositors in British Columbia are now protected by a fund that is large enough to achieve its objective without straining the resources of the credit unions themselves.

A revision to the CUDIC investment policy was commenced during the year. After taking professional advice, the Commission decided to move to a more diversified asset allocation. This investment policy will now be implemented and a new investment manager will be selected.

In response to *Financial Institutions Act* (FIA) amendments, the new governance requirements for Commission decisions were reviewed. A large number of decisions formerly made by the Minister of Finance were passed to the Commission, effective December 31, 2004. The amendments contemplated the delegation to the Superintendent of Financial Institutions authority previously held and certain routine decisions granted to the Commission. To facilitate this new governance structure, the Commission developed a delegation matrix to identify these decisions.

Much of the normal business of the Commission is approving credit union mergers and this has continued unabated throughout the year. There were also supervisory issues to be considered as well as matters related to insurance and trust companies. The Commission continues to be concerned about the quality of the corporate governance in some of the institutions that it regulates. It is also interested in the assessment of the business risks assumed by these institutions in an increasingly complex business environment. These regulatory challenges kept the Commission and its staff busy throughout the year.

The Commission is very aware of the important role that it plays in regulating many financial institutions that serve the citizens of this province. This regulation is vital to ensure the ongoing confidence in, and vitality of, these institutions. The Commission has recently revised its general approach to regulation to concentrate on those matters and operations that have the greatest risk. This has been a successful transition and means that the resources of the Commission are now concentrated in those areas that most

need attention. It is a pleasure to report that, although there are always improvements that could be made by regulated institutions, nevertheless they are in good financial condition and no major problems currently exist. The Commission will remain vigilant to ensure that this favourable situation continues.

In closing, I would like to take this opportunity to thank my fellow Commissioners for their support, sense of responsibility, and interest in the important work of the Commission. I would also like to thank the Superintendent and all the staff of the Commission for their hard work and dedication throughout the year. Without them, the Commission could not function effectively and so their efforts are very much appreciated.

J. Stewart Cunningham
Chair, Financial Institutions Commission

Statutes That FICOM Administers

CREDIT UNION INCORPORATION ACT

This statute provides a corporate governance framework for credit unions consistent with their co-operative characteristics.

FINANCIAL INSTITUTIONS ACT

This statute provides a regulatory framework to govern all provincially regulated financial institutions including trust companies, insurance companies and credit unions. It also provides the licensing and regulatory framework for insurance agents, salespersons and adjusters under the supervision of the Insurance Council of British Columbia. The statute further provides for a credit union deposit insurance fund.

INSURANCE ACT

This statute provides certain statutory requirements for insurance contracts.

INSURANCE (CAPTIVE COMPANY) ACT

This statute establishes British Columbia as a domicile for captive insurance companies and provides a registration and regulatory framework for captive insurance companies.

INSURANCE (MARINE) ACT

This statute provides certain statutory requirements for contracts of marine insurance.

MORTGAGE BROKERS ACT

This statute provides a registration and regulatory framework for mortgage brokers.

PENSION BENEFITS STANDARDS ACT

This statute provides a supervisory framework and minimum standards for provincial pension plans in British Columbia.

REAL ESTATE DEVELOPMENT MARKETING ACT

This statute provides a regulatory framework for the marketing of certain real estate developments.

REAL ESTATE SERVICES ACT

This statute provides a framework for the licensing and market conduct regulation of real estate professionals. Under this statute the Real Estate Council of British Columbia regulates real estate brokerages, real estate representatives, property managers and, effective January 2006, strata managers.

STRATA PROPERTY ACT

This statute provides a framework for the development, governance and management of strata corporations.

REPORT OF THE SUPERINTENDENT AND CEO

May 6, 2005

I am pleased to present FICOM's annual report for fiscal year 2004/05.

Last year saw the introduction of significant changes to a number of statutes that FICOM administers. These changes should position our organization to keep pace with the industries that we regulate and help to ease regulatory burden.

Our position as a financial services regulator has changed significantly with the shift from a compliance-based regulatory approach to a risk-based model. Our staff must have a wide array of skills, including an ability to interpret legislation, administer statutes, perform financial analysis, and conduct risk evaluation/ mitigation, all with sound professional judgment. My focus for the coming year will be recruitment and succession planning to meet this staffing challenge.

The past year saw our organization make a key step with the relocation of our premises from downtown Vancouver to a modern building at the Central City complex in Surrey. I am confident that this initiative, along with others, will help us address the recruitment challenges we are facing.

I'd like to close by thanking our staff for their valued contributions this past year. I encourage everyone to review our annual report, service plan and website for more information about FICOM and its activities and performance.

W. Alan Clark,
Chief Executive Officer,
Financial Institutions Commission

FICOM'S ROLE AND RESPONSIBILITIES

The Financial Institutions Commission (FICOM) is an agency of the provincial government, which administers 10 statutes.

FICOM has a complement of approximately 90 staff hired under the *Public Service Act* and is headed by a CEO. At the present time, the CEO is concurrently appointed as Superintendent of Financial Institutions, Superintendent of Pensions, Superintendent of Real Estate, Registrar of Mortgage Brokers and CEO of the Credit Union Deposit Insurance Corporation ("CUDIC") under the corresponding legislation.

The Financial Institutions Commission, which is established under the *Financial Institutions Act*, can have up to eleven Commissioners appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Finance.

Authorized Companies

Names and addresses of all financial institutions that are authorized by the provincial government to conduct business in British Columbia are listed on FICOM's website.

The Commissioners have defined roles under the *Financial Institutions Act* and *Credit Union Incorporation Act*. These include:

- Major regulatory decisions related to incorporations, business authorizations, amalgamations, liquidations and windups; and
- Decisions on credit union stabilization, supervision and deposit insurance.

Commissioners have no legislative responsibilities with respect to the other statutes administered by FICOM and some responsibilities under the *Financial Institutions Act* and *Credit Union Incorporation Act* are assigned directly to the Superintendent of Financial Institutions, or delegated to him by the Commissioners.

Commissioners also serve as directors of CUDIC unless otherwise directed by the Minister of Finance.

CORE BUSINESS AREAS AND ORGANIZATION OF FICOM

FICOM has four core business areas that are organized around its areas of regulatory responsibility.

Credit Unions and Trusts

- Regulates credit unions and trust services under the *Financial Institutions Act* and the *Credit Union Incorporation Act*.

Insurance

- Responsible for the regulation of insurers under the *Financial Institutions Act*, *Insurance Act*, *Insurance (Captive Company) Act*, and *Insurance (Marine) Act*.
- The Insurance Council of B.C. is responsible for licensing insurance sales agents and adjusters.
- The Superintendent may appeal disciplinary decisions of the Insurance Council.

Pensions

- Regulates pension plans registered in British Columbia under the *Pension Benefits Standards Act*.

Real Estate and Mortgage Brokers

- Registers mortgage brokers under the *Mortgage Brokers Act*, and enforces professional standards on the industry.
- Administers the disclosure requirements of the *Real Estate Development Marketing Act* for multi-unit real estate developments.
- Approves some strata plan schedules under the *Strata Property Act*.
- Under the *Real Estate Services Act*, the Real Estate Council of British Columbia is a self-regulatory organization ("SRO") that regulates real estate brokerages and representatives, and property managers. Effective January 2006, strata managers will also be regulated by the Real Estate Council.
- The Superintendent of Real Estate has powers to intervene in the regulation of real estate professionals if an urgent concern for the public interest arises, and is responsible for investigating unlicensed real estate activity.
- The Superintendent may appeal disciplinary decisions of the Real Estate Council.

Credit Union Deposit Insurance Corporation

- Administers deposit insurance for credit unions through the Credit Union Deposit Insurance Corporation.

Support Functions

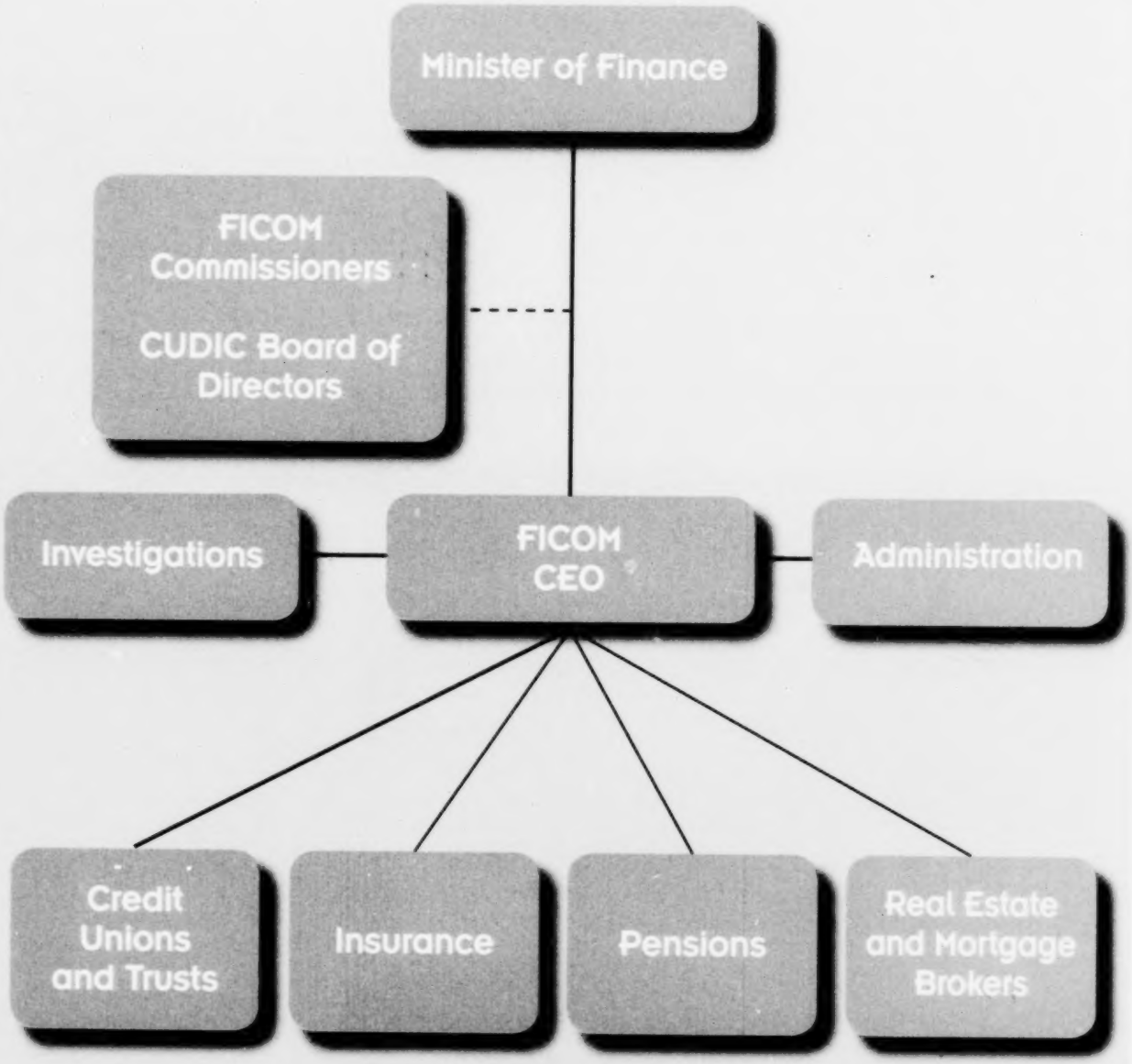
Investigations

The Investigations department investigates significant statutory breaches of all acts administered by FICOM. It also investigates related criminal issues, such as fraud, that may be uncovered in the course of these investigations.

Administration

FICOM's core business areas are supported by the following departments: Records, Systems, Accounting, Operational Services, and the CEO's office. These departments provide a wide variety of services including records management, reception, communications, systems support, accounting, budgeting, purchasing, freedom of information requests, policy research, legislative reviews, performance planning and reporting, strategic human resources management, and secretarial support.

Organizational Chart



SERVICE PLAN REPORT

FICOM identified six organizational goals in its service plan for the year 2004/2005.

Organizational Goals:

1. British Columbians have confidence in credit unions and trusts because they are effectively regulated.

2. British Columbians have confidence in insurers because they are effectively regulated.

3. British Columbians have confidence in pension plans because they are effectively regulated.

4. British Columbians have confidence in mortgage brokers because they are effectively regulated, and British Columbians are satisfied with FICOM's administration of its real estate related regulatory responsibilities.

5. The investigative activities of FICOM deter non-compliance with statutes and criminal activities related to financial services in British Columbia.

6. FICOM is administratively effective and efficient.

REGULATION OF CREDIT UNIONS AND TRUSTS

Goal 1: British Columbians have confidence in credit unions and trusts because they are effectively regulated.

As of March 31, 2005, FICOM regulated 54 credit unions, five provincial trust companies and 44 extra-provincial trust companies. The total assets of BC's credit union system at the end of 2004 were $31.6 billion. Total assets under administration by provincial and extra-provincial trust companies were $131.3 billion.

In its regulation of credit unions and trusts, FICOM's primary responsibility is to identify credit unions whose practices pose a risk to depositors, and identify trusts with risky or inappropriate business practices. FICOM ensures that institutions have identified risks and that they are being dealt with appropriately.

FICOM also provides a timely and efficient licensing regime for credit unions and trusts. It monitors regulatory burden and, where possible, reduces it to make it easier for credit unions and trusts to operate. FICOM oversees the market conduct of credit unions and trusts. It also researches policy issues and monitors emerging risks on an ongoing basis.

A key activity in the past year was the administration and evaluation of the recently implemented risk-based supervisory framework for credit unions and trusts. This new approach, which represents a shift from the traditional compliance-based regulatory model, allows FICOM to focus more effectively on those credit unions and trusts that pose a higher risk to the public interest. The administration and evaluation of this new framework is an ongoing process that will be continuing in the coming year.

FICOM was also actively involved in the preparation of amendments to the *Financial Institutions Act* and the *Credit Union Incorporation Act*, including follow-on changes to regulations under these statutes. These amendments came into effect on December 31, 2004, following the BC government's review of the financial services sector regulatory framework. The most significant changes under this legislation included:

- The enforcement framework has been enhanced with added powers for the Commission.
- Credit unions incorporated in BC are now permitted to operate extra-provincially, subject to the laws of the other jurisdiction.
- A new governance structure was established with the Commission assuming greater legislative authority from the Minister and Superintendent of Financial Institutions. Previously, the Minister, Commission and Superintendent had defined responsibilities under the *Financial Institutions Act*.
- For a deposit-taking trust company to be authorized to do business in BC, it must be federally incorporated.

This new governance structure was implemented during the past year. Under the *Financial Institutions Act*, most decisions formerly accorded to the Minister of Finance and Superintendent were passed to the Commissioners effective December 31, 2004. Decisions that were previously accorded to the Superintendent were then delegated by the Commission to the Superintendent, along with several other decisions, to streamline the regulatory process. To facilitate this new governance structure, the Commission developed a delegation matrix to specify the delegated decisions and established reporting requirements. The Superintendent of Financial Institutions reports regularly to the Commissioners on these decisions.

A key benefit of this new governance structure involves the administrative procedures surrounding the processing of business authorizations for extra-provincial trust companies. Previously, FICOM staff presented requests for business authorizations by federally authorized trusts to the Commissioners for review. Then, upon their consent, the Commissioners forwarded these requests to the Minister for approval. That process could run several months.

Now, the Commissioners have delegated these approvals to the Superintendent, which has accelerated the processing time by up to two months.

FICOM has also taken other steps to reduce regulatory requirements for trust companies. To streamline the filing process, federally regulated trust companies in good standing with the federal regulator are no longer required to submit support documentation when applying for a business authorization in BC.

FICOM staff was actively involved in drafting new regulations and required amendments to the FIA and the CUIA following on the legislative review of these statutes. The changes were then incorporated into regulatory practices. The specific regulatory changes included the following:

- Development of the Credit Insurance Commission Exemption Regulation and Credit Union Extra-provincial Business of Subsidiaries Regulation, and Changes to the Designation of Provinces Regulation.
    - The consequential regulatory amendments include section-reference corrections, a new definition of financial leasing applicable to credit union subsidiaries, and the designation of provinces for the purposes of exempting extra-provincial trust corporations from certain regulatory requirements when they come from jurisdictions with equivalent regulation.
- Amendments to the Liquidity Requirements Regulation.
    - The amount of liquidity which credit unions must hold with Central Credit Union of BC will be reduced by 2 per cent by January 1, 2006.
    - A number of minor and housekeeping changes were also made.

- Revisions to the FIA concerning liquidity, capital requirements, and the reduction of other regulatory requirements.
    - These revisions were developed in consultation with the policy and legislation branch in Victoria as well as Credit Union Central.

A further review of FIA regulations is planned for the coming year.

Basel II — the new international capital standard for internationally active banks in the G10 countries — is continuing to be closely monitored for its impact on Canadian banking regulation and potential impact on BC credit unions. The six largest Canadian banks are being required to meet Basel II's advanced internal ratings based approach to measuring credit risk requirements and this may have an impact on the competitive environment for credit unions and trust companies. The capital adequacy requirements for BC credit unions were adjusted to reflect the overall reduction in required regulatory capital for banks under Basel II.

A number of other policy issues also emerged which FICOM staff reviewed in the context of credit union and trusts regulation. These included: privacy and information sharing legislation; monitoring of funds transfers through financial institutions involving organized crime and terrorist organizations; deposit insurance issues; new accounting standards and their impact on financial institutions; and alternative approaches to financial services adjudication and appeal mechanisms.

A survey was conducted to gauge public opinion regarding BC Credit Unions. According to survey results, ninety-one percent of British Columbians are confident that if they were a customer of a BC credit union they would be dealt with in an honest, ethical and lawful manner. Further, eighty-six percent of British Columbians are confident that BC credit unions would be able to return their deposit with interest.

A report on the Credit Union Deposit Insurance Corporation (CUDIC) is included in a later section.

Cost of Credit Union Regulation and Deposit Insurance

FICOM tracks the cost of credit union regulation by comparing FICOM's credit union fees and CUDIC's deposit insurance assessments to the total assets of BC credit unions. The calculation of this performance measure is shown below.

Calculation of Credit Union Regulation and Deposit Insurance Costs - 2002/2003		
Regulation		
Total FICOM Credit Union Fees Budget - 2002/2003	$	2,568,744
Total Credit Union Assets - Dec 2002	$	26,640,532,762
Fees divided by Assets	$	0.0000964
Multiplied by $1000	$	0.096
Deposit Insurance		
Total CUDIC Assessments - 2002/2003	$	4,628,392
Total Credit Union Assets - Dec 2002	$	26,640,532,762
Assessments divided by Fees	$	0.0001737
Multiplied by $1000	$	0.174
Total Fees and Assessments per $1000 of assets	$	0.270
Calculation of Credit Union Regulation and Deposit Insurance Costs - 2003/2004		
Regulation		
Total FICOM Credit Union Fees Budget - 2003/2004	$	2,664,000
Total Credit Union Assets - Dec 2003	$	29,016,624,019
Fees divided by Assets	$	0.0000918
Multiplied by $1000	$	0.092
Deposit Insurance		
Total CUDIC Assessments - 2003/2004	$	nil
Total Credit Union Assets - Dec 2003	$	29,016,624,019
Assessments divided by Fees	$	-
Multiplied by $1000	$	-
Total FICOM Credit Union Fees and CUDIC Assessments per $1000 of assets	$	0.092
Calculation of Credit Union Regulation and Deposit Insurance Costs - 2004/2005		
Regulation		
Total FICOM Credit Union Fees Budget - 2004/2005	$	2,800,000
Total Credit Union Assets - Dec 2004	$	32,295,430,502
Fees divided by Assets	$	0.0000866
Multiplied by $1000	$	0.086
Deposit Insurance		
Total CUDIC Assessments - 2004/2005	$	nil
Total Credit Union Assets - Dec 2004	$	32,295,430,502
Assessments divided by Fees	$	-
Multiplied by $1000	$	-
Total FICOM Credit Union Fees and CUDIC Assessments per $1000 of assets	$	0.086

FICOM monitors and tracks its many regulatory activities. The statistics below are listed effective March 31, the last day of the BC government's fiscal year, unless otherwise noted.

Regulation of Credit Unions and Trusts

Authorized Financial Institutions in British Columbia	2002/2003	2003/2004	2004/2005
Credit Unions	63	61	54
Central Credit Unions	2	2	2
Credit Union System Total Assets	$26.6 billion	$29.0 billion	$31.6 billion
BC Incorporated Trust Companies	5	5	5
Extra-Provincial Trust Companies	44	45	44
Trust Company Total Deposits in BC	$6.8 billion	$6.2 billion	$6.4 billion
Trust Company Total Assets Under Administration in BC	$99.9 billion	$107.6 billion	$131.3 billion
Regulatory Activities	**2002/2003**	**2003/2004**	**2004/2005**
Business Authorization Applications for Trust Companies – Approved	1	1	2
Amalgamations of Extra-Provincial Trust Companies	2	3	2
Credit Unions Merged	2	2	7
Credit Unions Under Supervision	3	4	4
Credit Union Investment and Lending Policy Changes – Reviewed	123	110	96
Credit Union Regulatory Approvals and Filings	517	460	447

FICOM Regulated Credit Unions and Trusts

Credit unions with business authorizations for British Columbia effective March 31, 2005:

CREDIT UNIONS

Aldergrove Credit Union
Arrow Credit Union
Bulkley Valley Credit Union
Castlegar Savings Credit Union
CCEC Credit Union
Coast Capital Savings Credit Union
Coastal Community Credit Union
Columbia Valley Credit Union
Community Savings Credit Union
Compensation Employees Credit Union
Creston & District Credit Union
Cumberland & District Credit Union
East Kootenay Community Credit Union
Enderby & District Credit Union
Envision Credit Union
Grand Forks District Savings Credit Union
Greater Vancouver Community Credit Union
Greater Victoria Savings Credit Union
Gulf and Fraser Fishermen's Credit Union
Interior Savings Credit Union
Island Savings Credit Union
Khalsa Credit Union
Kootenay Savings Credit Union
Ladysmith & District Credit Union
Lake View Credit Union
Mount Lehman Credit Union
Nelson & District Credit Union
North Country Credit Union
North Peace Savings and Credit Union
North Shore Credit Union
Northern Savings Credit Union
Operating Engineers Credit Union
Osoyoos Credit Union
Powell River Credit Union
Prospera Credit Union
Quadra Credit Union

Credit Ratings for Credit Union Central of B.C.

Dominion Bond Rating Service *issued a Credit Rating Report on January 8, 2004*, with the rating for medium and long term senior notes and deposits being held at "A", with a stable outlook.*

Standard and Poor's *issued a Credit Rating on March 1, 2004*, with the senior unsecured debt rated "A+" and commercial paper rated "A-1".*

Both ratings agencies noted the strong capital and liquidity positions of the BC credit union system.

* Most recent rating as of March 31, 2005

Revelstoke Credit Union
Salmon Arm Savings and Credit Union
Sharons Credit Union
Spruce Credit Union
Squamish Credit Union
Summerland & District Credit Union
Sunshine Coast Credit Union
Terrace & District Credit Union
Union Bay Credit Union
V.P. Credit Union
Valley First Credit Union
Van Tel/Safeway Credit Union
Vancouver City Savings Credit Union
Vancouver Firefighters Credit Union
Vernon & District Credit Union
Village Credit Union
Westminster Savings Credit Union
Williams Lake and District Credit Union

CENTRAL CREDIT UNIONS

Credit Union Central of British Columbia
Stabilization Central Credit Union of British Columbia

Provincially Incorporated Trust Companies with Business Authorizations, effective March 31, 2005:

All Nations Trust Company
Asian Trust Company Inc. (not authorized)
Pacific Corporate Trust Company
Staffordshire Trust Company
Western Pacific Trust Company

As of the same date, there were 44 extra-provincial trust companies with British Columbia business authorizations.

REGULATION OF INSURERS

Goal 2: British Columbians have confidence in insurers because they are effectively regulated.

British Columbia's insurance market is the third largest in Canada. As of March 31, 2005, FICOM regulated a total of 255 insurers and total insurance premiums written in BC last year, exclusive of the Insurance Corporation of British Columbia, were $5.29 billion.

FICOM has specific regulatory responsibilities with respect to insurers. It is the primary regulator of solvency for provincial insurers and the secondary regulator of solvency for extra-provincial insurers. It is the primary regulator for market conduct for all insurers operating in the province, except the Insurance Corporation of British Columbia ("ICBC").

FICOM is also responsible for providing a timely and efficient licensing and registration regime for insurers. In administering this activity, a primary goal of FICOM is to streamline and harmonize regulations with other jurisdictions to help ease regulatory burden on institutions.

As outlined in its service plan, FICOM is implementing a risk-based supervisory framework for insurers. A first set of modules was developed and has been applied in reviews of provincially regulated institutions. This is an ongoing process, and the framework will be further refined in the coming year. A review of the *Insurance Act* is planned which will also provide an opportunity to enhance regulation.

FICOM is now in the process of implementing statutory and regulatory changes to insurance regulation in BC following the recent updating of the *Financial Institutions Act*. The most significant of these changes for the insurance sector involves a streamlined approval process for extra-provincial insurers. Previously, FICOM forwarded extra-provincial business authorization requests to the Commission for review and the Commission, upon consenting to the authorization, forwarded the requests to the Minister for approval.

Under the recent legislative changes, the Commission is now solely responsible for extra-provincial business authorizations and — to expedite routine approvals — the Commission has delegated responsibility for those to the Superintendent of Financial Institutions. As a result, the processing time of business authorization requests has been accelerated by up to two months.

FICOM is also updating its insurance bulletins and forms as a result of the legislative changes.

Under a contract with the Office of the Superintendent of Financial Institutions ("OSFI"), a new electronic filing system for financial information and filings has been implemented for provincial insurers. This outsourcing provides a cost-effective solution to a significant systems challenge. Appropriate provisions for maintaining the confidentiality of protected data have been made.

In the past year, FICOM actively participated in Canadian Council of Insurance Regulators ("CCIR") efforts to streamline and harmonize regulatory filings and legislative solvency requirements. This year, FICOM's Deputy Superintendent of Insurance was elected chair of CCIR.

FICOM has also been working with CCIR on a number of other key issues, including a review of industry sales and compensation practices for insurance agents and brokers. This review was prompted by investigations in the United States regarding payment of contingent commissions and bid rigging.

As outlined in the service plan, a survey was administered at the end of the year to gauge the opinion of insurance stakeholders. The results showed that seventy-nine per cent of British Columbians are confident in the ability of life insurance companies to make full payment on claims should the need arise. In addition, seventy-eight per cent of British Columbians are confident that if they had a policy with a life insurance company in BC, they would be dealt with in an honest, ethical and lawful manner. The results were similar with respect to property and casualty insurance companies. Seventy-nine per cent of British Columbians are confident in the ability of these companies to make full payment on claims should the need arise. And seventy-seven per cent of British Columbians are confident that if they had a policy with a property and casualty insurance company in BC, they would be dealt with in an honest, ethical and lawful manner.

Cost of Insurance Regulation

FICOM tracks the cost of insurance regulation by comparing FICOM's insurance fees to the total premiums written in the Province of British Columbia. The calculation of this performance measure is shown below.

Calculation of Insurance Regulation Costs 2002/2003		
Insurance Fees - 2002/03 Budget	$	2,081,000
divided by Total Premiums Written in BC - 2002	$	4,514,000,000
Equals	$	0.000461
Multiplied by $1000	$	0.461
Calculation of Insurance Regulation Costs 2003/2004		
Insurance Fees - 2003/04 Budget	$	2,127,000
divided by Total Premiums Written in BC - 2003	$	4,767,000,000
Equals	$	0.000446
Multiplied by $1000	$	0.446
Calculation of Insurance Regulation Costs 2004/2005		
Insurance Fees - 2003/04 Budget	$	2,116,000
divided by Total Premiums Written in BC - 2004	$	5,300,000,000
Equals	$	0.000399
Multiplied by $1000	$	0.399

Operational Statistics

Regulation of Insurers

Authorized Insurers in British Columbia	2002/2003	2003/2004	2004/2005
BC Incorporated Insurance Companies	9	9	9
Extra-Provincial Insurance Companies	237	234	233
Captive Insurance Companies	15	12	13
Insurance Premiums Written in BC (excluding ICBC)	$4.51 billion	$4.77 billion	$5.29 billion
Regulatory Activities	**2002/2003**	**2003/2004**	**2004/2005**
New Business Authorizations of Insurance Companies – Approved	6	5	10
Revocation of Extra-Provincial Insurance Company Authorizations – Approved	12	8	8
Amalgamations of Extra-Provincial Insurance Companies	3	4	2

FICOM Regulated Insurers

PROVINCIAL INSURANCE COMPANIES

BCAA Insurance Corporation

British Columbia Life & Casualty Company

Municipal Insurance Association of British Columbia, The

Mutual Fire Insurance Company of British Columbia, The

Optimum West Insurance Company

Pacific Coast Fishermen's Mutual Marine Insurance Company

PBC Health Benefits Society

Thompson General Insurance Incorporated

Westland Insurance Company Limited

CAPTIVE INSURANCE COMPANIES

Cupp Services Ltd.

LSBC Captive Insurance Company Ltd.

R.N.A.B.C. Captive Insurance Corporation

Baycrest Captive Insurance Corporation

BCF Captive Insurance Company

BCR Captive Insurance Co. Ltd.

Great Pacific Captive Insurance Ltd.

Hyundai Auto Canada Captive Insurance Inc.

Pengins International Corp.

Stikine Casualty Company Limited

West Fraser Captive Inc.

Westcoast Indemnity Company Limited

Transportation Property & Casualty Company Inc.

FICOM also regulates 233 Extra-provincial Insurance Companies

REGULATION OF PENSION PLANS

Goal 3: *British Columbians have confidence in pension plans because they are effectively regulated.*

As at March 31, 2005, pension plans supervised by FICOM had 480,793 active members and 182,648 pensioners. Total pension plan assets were $66.9 billion.

In its role as regulator of provincial pension plans, FICOM administers the *Pension Benefits Standards Act*. FICOM provides an efficient registration system for pension plans and monitors pension plans for legislative and regulatory compliance. It also reviews requests for consent of the Superintendent of Pensions to plan amendments and other issues. It responds to public queries regarding provincial pension plans, and intervenes when pension plans are not administered in accordance with significant statutory requirements. It also coordinates programs with other jurisdictions and authorities to ease regulatory burden on pension plans.

FICOM has reviewed, and is currently revising, the structure of the pensions department to support the move to a risk-based regulatory model. An administrative position is being reclassified into an analyst position, and defined contribution plan filing work will be transferred to an administrative assistant. Significant issues involving these plans will be elevated to a senior analyst. This will allow analysts to focus more on defined benefit plans, which are considered higher-risk and require more oversight. In the past year, the organization has also taken steps to reduce the amount of time spent on low-risk filings, such as locked-in RSPs and RIFs.

Following on its service plan objective, FICOM made progress toward its goal of developing a new electronic filing system for required pension plan submissions. This system will enhance risk assessment and risk rating for pension plans. FICOM staff has met with both the Office of the Superintendent of Financial Institutions ("OSFI") and Alberta regulators to review a collaborative project. The first step in this project is an assessment of each regulator's computer system capabilities. A key priority in designing a new system or modifying existing systems is the development of electronic early warning features that automatically track key filings and related calculations. This is a major project that will take several years to complete.

FICOM also completed a survey on pensions. According to survey results, ninety-four per cent of pension plan members were either 'confident' or 'very confident' that they would receive the full amount of their benefits in retirement. These findings were remarkable given that it was a challenging period for pensions with two key issues being the impact of low interest rates on pension plans and ongoing media reports concerning the under-funding of some pension plans.

Significant progress has been made toward reviewing pension plan disclosure requirements. Although the *Pension Benefits Standards Act* currently contains satisfactory disclosure requirements, there are opportunities for improvement. As a pensions model, the legislation is a "minimum standards act". With such a model, it is critical to ensure that the disclosure requirements do not become intrusive or burdensome.

Preliminary discussions have been conducted, both internally and externally, with pension plan providers and consultants. To encourage openness, transparency and

accountability, FICOM favours the implementation of additional disclosure requirements and such an approach is broadly supported by pensions stakeholders. Further review will be continuing on this issue in the coming year.

FICOM also worked with pension plan sponsors to develop alternative ways to address the current market uncertainties and the rigidity of funding rules. Discussions with various pension plan administrators have been conducted on a case-by-case basis. Within the confines of the legislation, a successful balance has been created that ensures that benefits payable to members are as secure as possible without being cost-prohibitive to the employer.

The past year saw BC's first-ever convictions for violations of the PBSA. The former administrator of a pension plan for a now-bankrupt employer has pled guilty to three charges that had been laid against him under the *Pension Benefits Standards Act*. Sentencing for this case will occur in November 2005. See the Investigations section for further details.

FICOM also continued to monitor trends and significant court developments in other jurisdictions. In Ontario, the Supreme Court dismissed the appeal of Monsanto Canada Inc. v. Superintendent of Financial Services (Ontario). This July 2004 ruling upheld the position of the Ontario Superintendent regarding actuarial surpluses and the partial wind-up of a pension plan. The decision means that if an actuarial surplus exists in a pension plan governed by the Ontario *Pension Benefits Act* at the time of a partial termination of a plan, affected members will now be entitled to receive a proportionate distribution of the surplus. It is unlikely that such a ruling would be applicable in BC as this province's legislation is significantly different from Ontario's.

FICOM staff monitored court decisions that changed or added new interpretations to existing trust laws. Although these laws do not directly impact FICOM, as the regulator of pensions, they are of interest because many pension plans are funded by trust agreements.

FICOM worked during the year with the Canadian Association of Pension Supervisory Authorities (CAPSA) on the development of principles for a common pension law. Progress is being made toward a model law that would harmonize pension regulation in jurisdictions across Canada — there has been significant movement toward reaching a consensus on common principles. Work also began on the preparation of a common funding principles document, which will go out for consultation this coming year.

FICOM has been actively working with the Joint Forum of Financial Market Regulators, an organization which covers the insurance, pension, and securities regulators of Canada. In May 2004, the Joint Forum issued Capital Accumulation Plans (CAP) guidelines, which they recommended be adopted by all defined contribution pension plans, group RRSPs, and other employer-sponsored employee savings plans. In October 2004, the Joint Forum further issued a Pension Plan Governance Guidelines and Self-assessment Questionnaire, which FICOM staff helped develop. The questionnaire provides an opportunity for plan administrators to self-assess the way they perform their duties.

Regulation of Provincial Pension Plans

Provincial Pension Plans Information	2002/2003	2003/2004	2004/2005
Pension plans under supervision	853	838	819
Pension plan assets (market value) from most recent Annual Information Return	$56.5 billion	$60.2 billion	$66.9 billion
Active Plan Members	484,582	469,943	480,793
Pensioners	164,927	171,926	182,648
Members with deferred entitlements	122,303	119,555	153,976
Regulatory Activities	**2002/2003***	**2003/2004**	**2004/2005**
New plan registrations	24	22	30
Plan terminations approved	25	26	65
Plan amendments registered	452	304	271
Registered Savings Plan / Life Income Fund Contracts Reviewed	264	268	306
Assignments Completed	2126	1706	1512
Regulatory Fees	**2002/2003***	**2003/2004**	**2004/2005**
Average fees per member	$1.53	$1.54	$1.45
Average fees per active member	$2.43	$2.49	$2.47
Average fees per $1000 of plan assets	$0.0210	$0.0194	$0.0200

*** Note: The regulation of provincial pension plans was transferred to FICOM effective April 1, 2003. Assets and membership figures for supervised pension plans are reported based on the most recent Annual Information Return available at the corresponding calendar year-end (eg December 31, 2004, data appears for the 2004/05 fiscal year reporting period).**

FICOM Regulated Pension Plans

FICOM regulates a total of 819 pension plans with total assets of $66.9 billion, including Defined Benefit Plans and Defined Contribution Plans. The largest plans, in terms of asset size, as at March 31, 2005, were as follows.

Largest Defined Benefit Pension Plans

Plan Name	Assets	
Municipal Pension Plan	$	18,215,127,000
Public Service Pension Plan	$	13,165,346,000
Teachers' Pension Plan	$	12,518,077,000
IWA – Forest Industry Pension Plan	$	2,470,007,398
British Columbia Hydro & Power Authority Pension Plan	$	2,047,872,000
Pulp and Paper Industry Pension Plan	$	1,964,588,641
College Pension Plan	$	1,601,641,000
University of British Columbia Faculty Pension Plan	$	1,006,705,210
United Food & Commercial Workers Union Pension Plan	$	913,391,034
Weyerhauser Company Ltd Retirement Plan for Non-Union Employees	$	693,617,846
Workers' Compensation Board Superannuation Fund	$	666,922,000
University of British Columbia Staff Pension Plan	$	624,711,008
Operating Engineers' Pension Plan	$	513,062,657
University of Victoria Combination Pension Plan	$	501,512,425
OPEIU 378/Insurance Corporation of British Columbia Pension Plan	$	495,135,000
The Teck Cominco Metals Ltd Pension Plan for BC Unionized Employees	$	384,184,798
Norske Skog Canada Limited Retirement Plan for Salaried Employees	$	280,271,692
Retail Wholesale Union Pension Plan	$	259,839,432
Insurance Corporation of BC Pension Plan for Management & Confidential Employees	$	245,747,000
Canadian Forest Products Ltd Salaried Pension Plan	$	220,889,564
The Plumbing and Pipefitting Workers Local 170 Pension Plan	$	220,195,107
Simon Fraser University Pension Plan for the Members of Academic Staff	$	212,108,666
Finning International Inc Retirement Plan	$	193,398,420
Ironworkers Pension Plan, Local 97	$	186,646,927
Carpentry Workers' Pension Plan of British Columbia	$	184,728,162
BC Credit Union Employees Pension Plan	$	167,636,716
West Fraser Mills Ltd Salaried and Executive Pension Plan	$	164,635,118
Weldwood of Canada Limited Salaried Employees' Pension Plan	$	152,062,443
Sheet Metal Workers (Local 280) Pension Plan	$	150,493,508
Simon Fraser University Pension Plan for Administrative/Union Staff	$	148,824,784

Largest Defined Contribution Pension Plans

Plan Name	Assets	
BCGEU Pension Plan	$	124,120,269
Employees' Pension Plan for Employees of the Archdiocese of Vancouver	$	74,580,781
7-Eleven Canada Inc. Pension Plan	$	52,484,718
Pension Plan for Employees of Canadian Ford Dealers/Amalgamated Plan	$	46,601,924
Registered Pension Plan for Employees of Canadian Conference of the Mennonite Brethren Church of North America	$	39,155,350
Pension Plan for Union Employees of Pacific Blue Cross	$	37,272,995
MDS Metro Laboratory Services Pension Plan	$	37,127,745
Skytrain Employees' Pension Plan	$	30,779,447
Retirement Plan for the Employees of BC Biomedical Laboratories Ltd.	$	26,706,820
University of Northern British Columbia Pension Plan	$	25,662,040
Registered Pension Plan for Employees of Riverside Forest Products (Wms Lake) Ltd	$	25,159,398
Ambulance Paramedics of BC CUPE Local 873 Supplemental Pension Plan	$	24,840,554
Inland Industries Ltd Pension Plan	$	23,888,762
Pension Plan for Greenhills Employees of Elk Valley Coal Corporation	$	20,073,258
Canadian Forest Products Ltd Defined Contribution Pension Plan	$	20,000,637
BC Fruit Industry Pension Plan	$	19,994,045
OPEIU Local 15 Pension Plan	$	18,548,052
A Pension Plan for the Hourly Employees of S&R Sawmills Ltd	$	17,161,726
Pension Plan for Certain Faculty and Staff of the University of British Columbia	$	15,720,041
University of Victoria Money Purchase Pension Plan	$	14,986,581

REGULATION OF REAL ESTATE AND MORTGAGE BROKERS

Goal 4: *British Columbians have confidence in mortgage brokers because they are effectively regulated, and British Columbians are satisfied with FICOM's administration of its real estate related regulatory responsibilities.*

Real Estate Regulation

FICOM administers the disclosure requirements that must be met by developers who market multiple-unit residential properties. FICOM also investigates unlicensed real estate professionals and may intervene in the regulation of them if an urgent concern for the public interest arises. Real estate professionals are regulated by the Real Estate Council of British Columbia.

FICOM approves certain forms under the *Strata Property Act*.

Under the *Strata Property Act*, FICOM receives rental disclosure statements for filing and approves some strata plan forms.

In the past year, FICOM responded to more than 4,400 enquiries from developers, real estate professionals and purchasers regarding the disclosure requirements for developers and the licensing requirements for real estate professionals. In addition, 655 Disclosure Statements and 714 Disclosure Statement Amendments were received for filing under Part 2 of the *Real Estate Act* and its replacement statute the *Real Estate Development Marketing Act*. Additionally, 476 Rental Disclosure Statements were received for filing and 314 strata plan forms were approved under the *Strata Property Act*.

New Legislation: The *Real Estate Services Act*

RESA provides the following major changes:

- makes the Real Estate Council of BC a self-regulatory organization with direct authority over licensees, so that it may respond more quickly to changes in the marketplace.
- provides for a Real Estate Special Compensation Fund to replace bonding and provide better protection against losses from theft or fraud by a licensee.
- As of January 1, 2006, RESA will regulate the conduct of strata managers and help protect strata corporation trust monies.

New Real Estate Statutes

Two statutes replaced the *Real Estate Act*, effective January 1, 2005. Part 1 of the *Real Estate Act* was replaced by the *Real Estate Services Act* (RESA), and Part 2 was replaced by the *Real Estate Development Marketing Act* (REDMA). This new legislation is being incorporated into regulatory practices by FICOM staff.

For REDMA, thirteen policy statements were issued outlining updated filing requirements under this new Act. The Policy Statements fall into two categories, those that specify the form and content for Disclosure Statements filed under the new Act, and those that specify circumstances in which the Superintendent of Real Estate would deem actions or arrangements to be in accord with the new Act. The Policy Statements can be found on FICOM's website at www.fic.gov.bc.ca.

Other Real Estate Activities

In addition to the many activities involved with the introduction of new real estate legislation, other key strategic activities during the year included the following:

- FICOM has been exploring ways to update and modify its performance reporting framework for regulated real estate activities under the new legislation. FICOM is seeking a framework for assessing cost effectiveness, safeguarding the public interest, and timeliness.
- In November 2004 under the *Real Estate Act*, the Superintendent of Real Estate cancelled the real estate license of an individual who was a full member of the Hell's Angels Motorcycle Club. The Superintendent found that it was contrary to the public interest for that individual to retain his license.

Mortgage Broker Regulation

FICOM has broad responsibilities as the regulator of mortgage brokers.

As of March 31, 2005, this involved the oversight of 520 mortgage broker companies, 707 mortgage broker company branch offices, and 2,107 sub-mortgage brokers. Mortgage brokers are authorized to broker residential and commercial mortgages to financial institutions, institutional investors and private lenders.

New Legislation:

The *Real Estate Development Marketing Act*

REDMA provides the following major changes:

- reduces the regulatory burden on developers by allowing simpler Disclosure Statements in all cases.
- allows marketing to begin earlier so that there are better opportunities for pre-selling developments.
- provides a standard seven-day cooling-off period during which a purchaser who received a Disclosure Statement may cancel the purchase contract.

FICOM also responds to information requests from both the public and industry. In the past year, more than 21,000 information requests were processed regarding real estate and mortgage brokers.

FICOM's investigations department actively investigates regulatory issues involving mortgage brokers.

Mortgage Broker Activities

Significant progress was made in implementing alternative payment options for mortgage brokers — a key strategic initiative outlined in the service plan. A proposal for these payment options has been approved.

Real Estate and Mortgage Broker Regulation

Real Estate Services	2002/2003	2003/2004	2004/2005
Prospectuses Accepted	17	19	23*
Disclosure Statements	378	524	655
Disclosure Amendments	440	561	714
Exemptions	10	11	10
Prospectus Amendments	29	20	23
Strata Property Services	**2002/2003**	**2003/2004**	**2004/2005**
Strata Plan Forms	165	270	314
Rental Disclosure Statements	-	-	476
Registered Mortgage Brokers	**2002/2003**	**2003/2004**	**2004/2005**
Mortgage Broker Companies	465	494	520
Mortgage Broker Company Branch Offices	596	645	707
Sub-mortgage Brokers	1,503	1,775	2,107
Mortgage Broker Regulation	**2002/2003**	**2003/2004**	**2004/2005**
New Mortgage Brokers Registrations	77	91	133
New Submortgage Broker Registrations	410	488	541
Mortgage Broker Renewals	237	284	317
Submortgage Broker Renewals	475	519	645
Transfers	153	168	312
Mortgage Broker & Submortgage Broker Terminations	173	288	305
Mortgage Broker & Submortgage Broker Amendments	212	252	486
Information Requests	**2002/2003**	**2003/2004**	**2004/2005**
Letters (all correspondence RE and MB)	3,353	4,315	12,236
Telephone Calls (all calls RE and MB)	10,160	10,493	9,095

***April 2004-December 2004: After this date Prospectuses were replaced by Disclosure Statements under the new legislation.**

FICOM's Regulation of Real Estate Developments

During the past year, 655 new development disclosure statements were received by FICOM.

A developer must file with the Superintendent's office a disclosure statement that contains key information such as development approvals, construction financing, and a lawyer's certification confirming the ownership and encumbrances of the development land. A disclosure statement must also set out key statutory protections for a purchaser, such as the 7-day rescission right and the requirement that all deposits be held in trust. If a disclosure statement filed with the Superintendent of Real Estate does not meet the form and content requirements, steps will be taken to prevent marketing from taking place until adequate disclosure is made.

Through its administration of the *Real Estate Development Marketing Act*, FICOM helps ensure that the public has confidence in the marketing of developments and the handling of deposits. Developers have filed with FICOM disclosure statements for developments ranging from urban condominium projects to holiday resorts.

Mortgage Brokers See Substantial Increase in Registrations

The number of mortgage brokers in British Columbia has been increasing significantly. In the past two years, the number of registered mortgage brokers was up 6.2% and 6.3%, respectively. Sub-broker registrations were up a substantial 18.1% and 18.7%, over the same periods.

INVESTIGATIONS

Goal 5: *The investigative activities of FICOM deter non-compliance with statutes and criminal activities related to financial services in British Columbia.*

In the past fiscal year, FICOM had 14 full-time staff dedicated to investigative functions. FICOM investigates statutory breaches of all 10 statutes administered by FICOM, as well as related criminal issues. Staff completed 222 investigations, initiated 213 new ones, and 108 were open at March 31. Staff also executed 33 search warrants during the year.

FICOM engages in a number of investigative activities to deter non-compliance with statutes and criminal activities related to financial services. It responds to all enquiries and complaints received from members of the public. In some instances, enquiries and complaints are directed to other government, industry or self-regulatory organizations.

FICOM also investigates complaints of statutory and regulatory contraventions related to provincially-regulated financial services if a concern for the public interest arises. Complaints of criminal activity involving provincially regulated financial services are investigated to ensure that the public is protected from criminal activity.

Additionally, FICOM provides information to the public on detecting fraudulent or other inappropriate business practices to help them avoid being victimized. It also provides information to financial institutions on fraud schemes that may have a systemic impact.

A key task in the past year involved a review of the new and amended legislation that FICOM administers for its impact on investigative policies and procedures. Investigative staff was briefed on new provisions.

In January 2005, FICOM's Executive Director of Investigations delivered presentations on REDMA to the Real Estate Council, and to the Mortgage Brokers Association on both RESA and REDMA.

Credit Union Manager Charged

Following reports by FICOM investigators, the senior management of a small credit union on Vancouver Island was investigated for a number of inappropriate practices.

While the investigation is ongoing, the former general manager has been charged with five counts of fraud and one count of forgery.

This issue is set for court in October and November 2005.

Investigations Activities

	2002/2003	2003/2004	2004/2005
Files open at the beginning of fiscal year	130	139	108
New files opened in the year with investigations initiated	242	224	213
Real estate investigations – initiated	90	78	65
Insurance investigations – initiated	38	40	33
Mortgage broker investigations – initiated	91	86	95
Credit union investigations – initiated	14	9	7
Trust company investigations – initiated	1	1	1
Pensions investigations – initiated	n/a	1	7
Miscellaneous investigations – initiated	8	9	5
Files closed	231	255	222
Real estate investigations – concluded	93	86	75
Insurance investigations – concluded	45	50	39
Mortgage broker investigations – concluded	76	102	85
Credit union investigations – concluded	9	9	11
Trust company investigations – concluded	1	1	1
Pension investigations – concluded	n/a	0	3
Miscellaneous investigations – concluded	7	7	8
Files open at the end of the fiscal year	140	108	100
Search warrants executed	31	13	33
Financial Institutions Act related orders executed	18	14	19
Pensions Benefits Standards Act related orders executed	n/a	1	0
Mortgage Brokers Act related orders executed	33	50	39
Real Estate Act related orders executed	24	7	19

Charges Laid in Pensions Case

The past year saw BC's first-ever convictions for violations of the *Pension Benefits Standards Act* ("PBSA"). FICOM launched an investigation after Point Hope Shipyard failed to account for approximately $300,000 in employee pension funds. Under the direction of the principal William C. McKechnie, Point Hope failed to remit its share of pension fund contributions to the pension carrier, failed to remit funds deducted from employees' salary to the pension carrier, and failed to keep pension funds separate from that of the company's general operating funds. Point Hope then went into bankruptcy with priority creditors receiving all available funds.

The investigation resulted in three counts under the PBSA, to which McKechnie has now pled guilty to one count. The matter has now been adjourned to November 25, 2005, at the Provincial Court in Victoria for sentencing.

Unauthorized Insurance Company

Between 2002 and 2004, Centennial Insurance Company ("CIC Insurance") conducted unauthorized insurance business in British Columbia, contrary to section 75 of the *Financial Institutions Act*.

In November 2004, FICOM issued cease and desist orders on CIC Insurance, and the White Rock-based insurance brokerage that was marketing insurance for this unauthorized offshore insurance company. In addition, the Superintendent issued a freeze order against approximately $500,000 in premium funding collected by the broker. CIC and some if its directors have also faced regulatory and civil proceedings in the U.S., the United Kingdom, and Ireland.

FICOM was concerned that over 200 customers may not have enforceable insurance policies. At CIC's request, a hearing took place before the Superintendent in May 2005.

After the first day of the hearing, the insurer agreed to run-off the existing insurance business in a manner acceptable to the Superintendent of Financial Institutions and to cease from conducting insurance business in British Columbia. CIC was also ordered to pay $60,000 in costs.

ADMINISTRATION

Goal 6: *FICOM is administratively effective and efficient.*

FICOM is a self-funded organization, with fees and assessments on regulated industries funding FICOM's operations. FICOM is committed to operating effectively and efficiently.

During the past year a number of initiatives were undertaken to enhance FICOM's administrative capability.

Steps were taken toward developing and implementing new information systems to increase electronic filing and reduce manual paper filing. This was a key initiative identified in the service plan. To promote the shift to electronic filing, a central registry database (REG) was implemented. This new system will allow for the integration of electronic forms. Data cleanup and normalization is currently in progress. The new platform that supports REG increases the functionality of the database and the future applications that can be integrated with REG. It also allows for electronic document comprehension and enables data — entered at one single point — to be dispersed to multiple fields and applications within REG. In the coming year, FICOM hopes to transfer mortgage broker registration forms to an electronic format.

A second project focused on identifying ways to more effectively process telephone requests for information and complaints received by FICOM. After reviewing various options, FICOM opted for an on-site Contact Centre. This will enable a single work team to address consumer and industry complaints and inquiries about financial services providers. Throughout the year, substantial progress was made in developing this Contact Centre. The facility for hosting the Contact Centre is now in place, and an information management system has also been developed for the work team. The Contact Centre is expected to be operational in the Fall of 2005.

FICOM staff completed a review of procedures for processing freedom of information (FOI) requests, ensuring they are processed in an efficient and timely manner. This review led to two changes: 1) a facility for the public to view publicly available documents at FICOM's premises; and, 2) enhancements to the database used for tracking FOI requests. FICOM staff responded to 30 FOI requests during the past year.

FICOM completed a review of the annual reports completed by comparable BC government entities and scored them out of five. FICOM's report was scored 3.8; two of the entities scored lower than FICOM at 3.1 and 3.3, while one scored higher at 4.6 for an average of 3.7. FICOM met its service plan goal to produce an annual report of a standard at least equal to comparable BC government agencies. FICOM staff did not complete a similar review of service plans.

FICOM's website was also reviewed and it was determined that it did not meet contemporary standards in a several key respects. Visitors to the site found it cumbersome, dated, and difficult to navigate. In the fall of 2004, FICOM retained a private contractor to update and redesign the site. It is being redesigned to better meet organizational needs and public communication needs as part of implementing FICOM's communications plan.

The service plan identified the development of a risk management program for FICOM in the year. This activity was not completed, but will be completed in the coming year.

FICOM FINANCIAL REPORT

FICOM expenditures are fully recovered from fees and assessments.

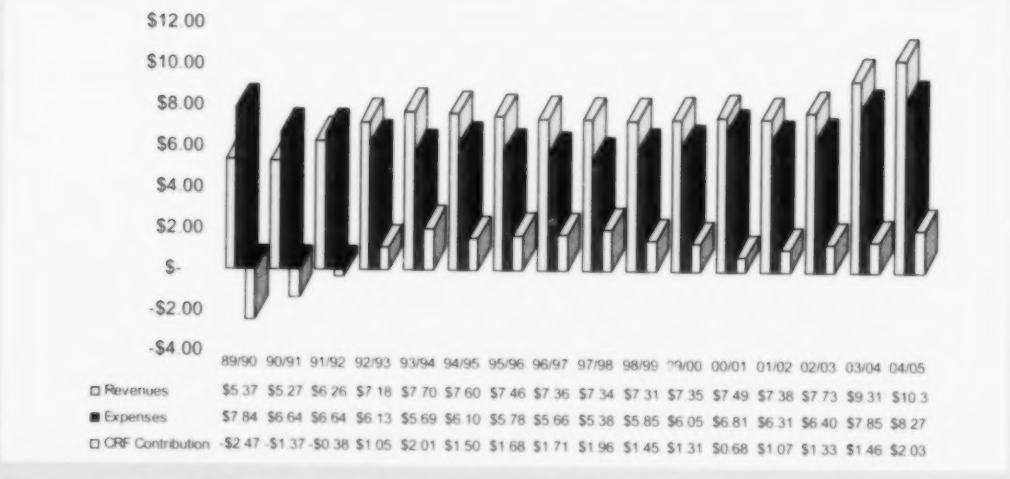
Funding for FICOM is provided in the provincial government main estimates (the Budget) for the Ministry of Finance — a nominal net expense of $1,000 is authorized. This funding mechanism requires that FICOM's expenditures be recovered from fees and assessments.

In 2004/2005, FICOM's gross actual expenditures were $8.27 million, $1,806,000 under budget. Approximately 75% of the expenditures were for staff and professional services.

Actual recoveries were $10.3 million in 2004/2005. These recoveries were comprised of transfers from CUDIC for expenditures incurred by FICOM for credit union deposit insurance, supervision and stabilization issues ($1.7 million), and annual licensing fees and assessments ($8.6 million).

In total, FICOM transferred $2.03 million to the Consolidated Revenue Fund (CRF) during 2004/2005. These monies offset government overheads that are not fully accounted for in FICOM's budget. This transfer is identified as the CRF Contribution on the following chart.

FICOM - 16 Year Financial Summary ($ millions - actuals)



	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05
Revenues	$5.37	$5.27	$6.26	$7.18	$7.70	$7.60	$7.46	$7.36	$7.34	$7.31	$7.35	$7.49	$7.38	$7.73	$9.31	$10.3
Expenses	$7.84	$6.64	$6.64	$6.13	$5.69	$6.10	$5.78	$5.66	$5.38	$5.85	$6.05	$6.81	$6.31	$6.40	$7.85	$8.27
CRF Contribution	-$2.47	-$1.37	-$0.38	$1.05	$2.01	$1.50	$1.68	$1.71	$1.96	$1.45	$1.31	$0.68	$1.07	$1.33	$1.46	$2.03

Note: Both expenditures and recoveries increased significantly because of the transfer of the Pension Standards Branch to FICOM, effective April 1, 2003.

Consumer Survey on Financial Services

A survey of consumer confidence was conducted by an independent polling firm in 2004/2005. FICOM conducts surveys on a biannual basis to provide a valuable measure for tracking consumer confidence.

Confidence in the integrity of financial institutions, and the ability of these institutions to meet their fiscal obligations, remain largely unchanged from the previous poll in 2003. Survey results were as follows:

Credit Unions

Eighty-six per cent of British Columbians are confident that BC credit unions would be able to return their deposit with interest (59% are "very confident"). Credit union members (94% total, 77% "very confident") are significantly more confident than non-members (80% total, 46% "very confident"). Nine-in-ten (91%) British Columbians are confident that if they were a customer of a BC credit union, they would be dealt with in an honest, ethical and lawful manner (60% "very confident"). Again, credit union members are more confident in this regard than non-members.

Life Insurance

Eight-in-ten (79%) British Columbians are confident in the ability of life insurance companies to make full payment on claims should the need arise (36% "very confident"). Eight-in-ten (78%) British Columbians are confident that if they had a policy with a life insurance company in BC, they would be dealt with in an honest, ethical and lawful manner (25% "very confident").

Property & Casualty Insurance

Eight-in-ten (79%) British Columbians are confident in the ability of property and casualty insurance companies to make full payment on claims should the need arise (28% "very confident"). Eight-in-ten (77%) British Columbians are confident that if they had a policy with a property and casualty insurance company in BC, they would be dealt with in an honest, ethical and lawful manner (24% "very confident").

Pension Plans

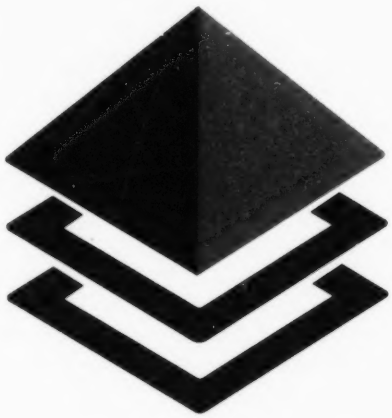
Nine-in-ten (87%) are confident that they will receive the full amount of benefits provided under the plan (49% "very confident"). Also, nine-in-ten (93%) are confident that if they needed to contact the administrator of their workplace pension plan, they would be dealt with in an honest, ethical and lawful manner (64% "very confident"). Nine-in-ten (89%) are confident that their employer will keep their pension plan in place (63% "very confident").

Mortgage Brokers

Seven-in-ten (70%) British Columbians are confident that if they were a customer of a BC mortgage broker, they would be dealt with in an honest, ethical and lawful manner (22% very confident).

Notes

REPORT ON THE CREDIT UNION DEPOSIT INSURANCE CORPORATION



Credit Union Deposit Insurance
Corporation of British Columbia

The Credit Union Deposit Insurance Corporation ("CUDIC") is a statutory corporation under the *Financial Institutions Act* and is overseen by FICOM. The mandate of CUDIC is to guarantee deposits and non-equity shares of depositors of British Columbia credit unions up to limits prescribed by the *Financial Institutions Act*. CUDIC maintains a fund in support of deposit insurance ("the deposit insurance fund"). As of March 31, 2005, this fund was valued at over $120 million.

Details regarding deposit insurance coverage can be obtained by contacting FICOM or through FICOM's website.

CUDIC Board of Directors

Chair	J. Stewart Cunningham
Directors	Tamara Vrooman (*ex officio*)
	John Dawson
	Vickie McDonnell
	Janet Pau
Officers	W. Alan Clark
	Garry E. Wadham

Activities of CUDIC

Several key initiatives related to CUDIC were completed during the past year:

- A review of CUDIC's investment policy was completed. The CUDIC Board of Directors hired an investment consulting firm to recommend a new investment policy for the deposit insurance fund after identifying concerns with its investment policy. The firm recommended a new investment policy with a more diverse asset allocation, revised performance benchmarks for investment managers, more detailed corporate governance provisions, and an updated system for monitoring and disciplining investment managers. The new investment policy was adopted in principle in March 2004. It will be implemented in the coming year.
- Following on the work of the Fund Size Committee and actuarial advice received by the CUDIC Board, an appropriate target size for the deposit insurance fund was set at 0.84% (84 basis points) of total credit union deposits. The target size of the deposit insurance fund is a complex matter and the CUDIC Board carefully considered the wide range of issues that were involved in making this decision.

  As of March 31, 2005, CUDIC's fund measured $122.7 million and represented 0.425% (42.5 basis points) of BC credit union deposits.

- In overseeing the investment managers for the deposit insurance fund, CUDIC found that one investment manager was consistently not meeting performance requirements. This investment manager was terminated in November 2004 following a careful review of its performance. As part of implementing the new investment policy, CUDIC will be reviewing its investment manager structure and undertaking a new investment manager search.
- CUDIC began development of a risk-based management program. FICOM staff made presentations to industry groups addressing the key risks faced by BC credit unions. These presentations were well received.

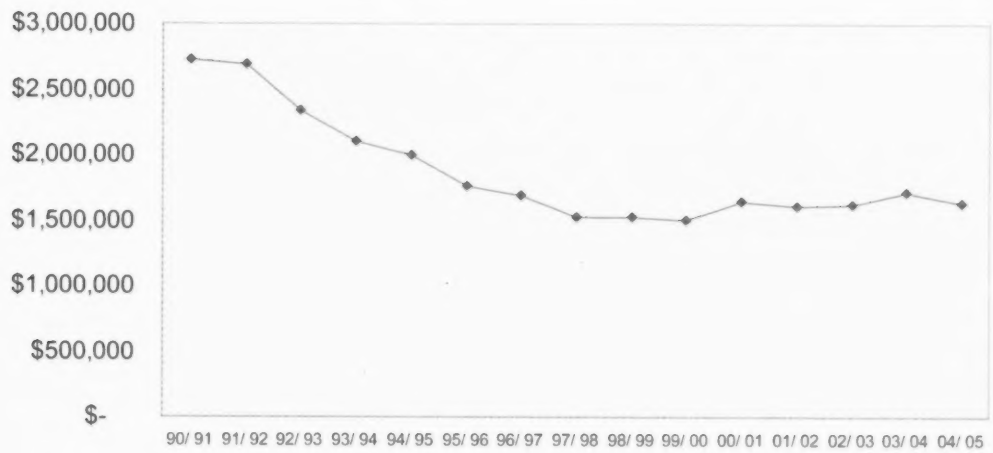
A review of CUDIC's communications materials was not completed and was deferred to the coming year.

Financial Administration of CUDIC

CUDIC's day-to-day administrative functions are provided by FICOM, as CUDIC has no operating staff. CUDIC is then charged for administrative services by FICOM.

These administrative services are recorded as administration expenses by CUDIC and reported in the "Schedule of Administration Expenses" in financial statements. These expenses have been tightly controlled since 1990, as the following chart - CUDIC Administration Expenses - highlights.

CUDIC Administration Expenses



NOTES

AUDITOR'S REPORT ON THE CREDIT UNION DEPOSIT INSURANCE CORPORATION

Credit Union Deposit Insurance Corporation of British Columbia

Financial Statements

March 31, 2005

Grant Thornton

Contents

	Page
Auditor's Report	1
Balance Sheet	2
Statements of Operations and Retained Earnings	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-7
Schedule of Administration Expenses	8

Grant Thornton

Grant Thornton LLP
Chartered Accountants
Management Consultants

Grant Thornton

Auditor's Report

To the Board of Directors of
Credit Union Deposit Insurance Corporation of British Columbia

We have audited the balance sheet of Credit Union Deposit Insurance Corporation of British Columbia as at March 31, 2005, and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 2005, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Financial Institutions Act, we report that, in our opinion, these principles have been applied on a consistent basis with that of the preceding year.

Grant Thornton LLP

Vancouver, Canada
June 3, 2005

Chartered Accountants

P.O. Box 11177, Royal Centre
Suite 2800
1055 West Georgia Street
Vancouver, BC V6E 4N3
T (604) 687-2711
F (604) 685-6569
E Vancouver@GrantThornton.ca
W www.GrantThornton.ca

Canadian Member of Grant Thornton International

Credit Union Deposit Insurance Corporation of British Columbia
Balance Sheet

March 31	2005	2004
Assets		
Cash resources	$ 2,067	$ 51,105
Income taxes recoverable	48,042	-
Capital assets	15,455	-
Investments (Note 3)	122,930,944	117,201,490
	$ 122,996,508	$ 117,252,595
Liabilities and Retained Earnings		
Payables and accruals	$ 411,234	$ 475,856
Retained earnings (Note 5)	122,585,274	116,776,739
	$ 122,996,508	$ 117,252,595

Approved by the Board

JOHN DAWSON Director

JANET PAU Director

See accompanying notes to the financial statements.

Grant Thornton

2

Credit Union Deposit Insurance Corporation of British Columbia
Statements of Operations and Retained Earnings

Year Ended March 31

	2005	2004
Revenue		
Investments	$ 8,323,343	$ 7,988,114
Recoveries of assistance to credit unions	-	30,402
	8,323,343	8,018,516
Expenses		
Administration (Schedule)	1,758,488	1,713,460
Assistance to credit unions	-	4,654
Investment management fees	111,243	157,286
	1,869,731	1,875,400
Earnings before income taxes	6,453,612	6,143,116
Income taxes (Note 4)	645,077	702,641
Net earnings	$ 5,808,535	$ 5,440,475
Retained earnings, beginning of year	$ 116,776,739	$ 111,336,264
Net earnings	5,808,535	5,440,475
Retained earnings, end of year	$ 122,585,274	$ 116,776,739

See accompanying notes to the financial statements.

Credit Union Deposit Insurance Corporation of British Columbia
Statement of Cash Flows

Year Ended March 31

	2005	2004
Cash flows provided by (used in)		
Operating activities		
Net earnings	$ 5,808,535	$ 5,440,475
Adjustments to determine cash flows:		
(Gain) on sale of securities	(1,605,362)	(1,460,314)
Change in non-cash working capital	(112,664)	331,251
	4,090,509	4,311,412
Investing activities		
Purchase of securities	(121,875,937)	(88,208,450)
Proceeds from sale of securities	117,736,390	83,847,593
	(4,139,547)	(4,360,857)
Net decrease in cash resources	(49,038)	(49,445)
Cash resources, beginning of year	51,105	100,550
Cash resources, end of year	$ 2,067	$ 51,105
Change in non-cash working capital		
Income taxes (recoverable)/payable	$ (48,042)	$ 218,984
Payables and accruals	(64,622)	112,267
	$ (112,664)	$ 331,251
Supplemental cash flow information		
Income taxes paid	$ 686,487	$ 673,371

See accompanying notes to the financial statements.

Credit Union Deposit Insurance Corporation of British Columbia
Notes to the Financial Statements
March 31, 2005

1. Governing legislation and operations

The Credit Union Deposit Insurance Corporation of British Columbia (CUDIC) is a statutory corporation established under the *Financial Institutions Act* (FIA) and is administered by the Financial Institutions Commission (FICOM). The mandate of CUDIC is to guarantee deposits and non-equity shares of depositors of British Columbia credit unions up to the limits prescribed by the FIA. To meet this mandate, CUDIC undertakes functions set out in the FIA and maintains the deposit insurance fund. CUDIC may assess credit unions and/or issue debentures to them to support the deposit insurance fund.

The amount, timing and form of deposit insurance payments or financial assistance which may be required for credit unions is dependent on future events and outcomes. Three outcomes that may require assistance are rehabilitation, amalgamation or liquidation of credit unions.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. In preparing these financial statements, management is required to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Investments

Securities are carried at amortized cost. Realized gains and losses on disposal are credited and charged to earnings for the year. Premiums and discounts arising at the time of purchase of investments are amortized over the term to maturity. Revenue from investments includes interest income as well as net realized capital gains or losses.

Provision for credit union assistance

CUDIC may provide assistance to credit unions in respect of deposit insurance. Specific provisions are established for financial assistance provided to a credit union and deposit insurance claims for a credit union in financial difficulty. These provisions are recorded when it is determined that assistance is likely required and the amount can be reasonably estimated. Amounts incurred in the current year, and any accrual for the specific provision, are charged to expenses as assistance to credit unions.

Credit Union Deposit Insurance Corporation of British Columbia
Notes to the Financial Statements
March 31, 2005

2. Summary of significant accounting policies (Continued)

Related party transactions

Since CUDIC is administered by FICOM, FICOM's administrative expenses relating to CUDIC's mandate are charged to CUDIC. The allocation of direct salaries to CUDIC is calculated based on the activities performed by FICOM staff on tasks pertinent to the mandate of CUDIC. Other expenses, including occupancy costs, are allocated to CUDIC according to CUDIC's proportionate share of activities. These transactions were conducted in the normal course of business at amounts established and agreed to by both parties.

Financial instruments

The market values of the investments approximate their fair values. The fair values of all other financial instruments, which include cash, income taxes recoverable, payables and accruals, approximate their carrying values.

Capital assets

During the year, CUDIC's collection of fine art was independently valued and capitalized at that value. There is no amortization in respect of these assets.

3. Investments

Specific Investments	Effective Yields %	Less than One Year	1 to 5 Years	Over 5 Years	Total 2005	Total 2004
Canadian	6.28	$ 967,564	$ 11,609,667	$ 21,798,102	$ 34,375,333	$ 40,276,699
Provincial	6.36	2,185,395	6,265,552	15,917,252	24,368,199	18,158,695
Municipal	7.58	-	745,685	3,023,589	3,769,274	3,029,505
Corporate	6.27	-	-	1,536,218	1,536,218	28,095,532
		$ 3,152,959	$ 18,620,904	$ 42,275,161	64,049,024	89,560,431
Pooled Funds						
Money Market Funds					2,450,294	514,704
Government Bond Fund					16,789,005	16,376,854
Corporate Bond Fund					38,530,530	9,177,963
					57,769,829	26,069,521
Accrued interest					1,112,091	1,571,538
Total investments (cost)					$ 122,930,944	$ 117,201,490
Total investments (market value)					$ 127,368,850	$ 122,055,092

Credit Union Deposit Insurance Corporation of British Columbia
Notes to the Financial Statements
March 31, 2005

4. Income taxes

As a deposit insurance corporation under the *Income Tax Act*, CUDIC pays income taxes on its taxable income at the statutory rate prescribed for such corporations. Income for tax purposes excludes assessments made against credit unions. No deduction may be made against income for tax purposes for financial assistance given to or paid on behalf of credit unions.

	2005	2004
Income taxes otherwise payable based on reported net earnings	$ 644,070	$ 705,230
Adjustments for effect of miscellaneous differences	1,007	(2,589)
Income taxes per financial statements	$ 645,077	$ 702,641

5. Depositor protection

CUDIC has established a target equity size of 84 basis points of total credit union deposits, based upon actuarial advice and an assessment of deposit failure risk. CUDIC has retained earnings which represent 42.5 basis points of credit union deposits.

CUDIC intends to assess the credit union system to increase the fund by approximately $80 million to increase the fund's size.

Credit Union Deposit Insurance Corporation of British Columbia
Schedule of Administration Expenses

Year Ended March 31

	2005	2004
Salaries and benefits	$ 1,190,103	$ 1,257,909
Directors expenses	5,633	2,661
Travel	29,985	34,277
Professional services	128,902	131,614
Information services	64,619	39,646
Building occupancy	120,930	124,938
Furniture and equipment	56,657	47,233
Other	161,659	75,182
	$ 1,758,488	$ 1,713,460

NOTES

CONTACT INFORMATION

MARKET CONDUCT COMPLAINTS AND INQUIRIES:

For general queries related to the financial services sector:

Financial Institutions Commission	**Website: http://www.fic.gov.bc.ca**
Contact Centre	604 953-5200
Email Inquiries:	FICOM@ficombc.ca
Mailing Address:	Suite 1200, 13450 102nd Avenue Surrey, British Columbia V3T 5X3

Inquiries and complaints regarding a licensed real estate agent, salesperson or property manager:

Real Estate Council of British Columbia	**Website: http://www.recbc.ca**
Telephone:	604 683-9664
Toll Free:	1 877 683-9664
Fax:	604 683-9017
Mailing Address:	Suite 900 - 750 West Pender Street Vancouver, British Columbia V6C 2T8

Inquiries and complaints regarding a licensed insurance agent, adjuster or salesperson:

Insurance Council of British Columbia	Website: http://www.insurancecouncilofbc.com
Telephone:	604 688-0321
Toll Free:	1 877 688-0321
Fax:	604 662-7767
Mailing Address:	Suite 300 - 1040 West Georgia Street P.O. Box 7 Vancouver, British Columbia V6E 4H1

Inquiries and complaints regarding chartered banks:

Office of the Superintendent of Financial Institutions (Canada)	Website: http://www.osfi-bsif.gc.ca
Telephone:	604 666-5335
Fax:	604 666-6717
Mailing Address:	Suite 305 - 1095 West Pender Street P.O. Box 11 Vancouver, British Columbia V6E 2M6

Inquiries and complaints regarding the securities industry:

British Columbia Securities Commission	Website: http://www.bcsc.bc.ca
Telephone:	604 899-6854
Fax:	1 800 373-6393
E-mail:	inquiries@bcsc.bc.ca
Mailing Address:	P.O. Box 10142 Pacific Centre 701 West Georgia Vancouver, British Columbia V7Y 1L2

DEPOSIT INSURANCE AND COMPENSATION PLANS:

Questions about deposit insurance for banks and trust companies in British Columbia:

Canada Deposit Insurance Corporation	Website: http://www.cdic.ca
Telephone:	613 992-7124
Toll Free:	1 800 461-2342
Fax:	613 996-6095
E-mail:	info@cdic.ca
Mailing Address:	17th Floor - 50 O'Connor Street P.O. Box 2340, Station "D" Ottawa, Ontario K1P 5W5

Questions about deposit insurance for credit unions in British Columbia:

Credit Union Deposit Insurance Corporation of British Columbia	Website: http://www.fic.gov.bc.ca
Telephone (Inquiries):	604 953-5200
Fax:	604 953-5301
Mailing Address:	Suite 1200 – 13450 102nd Avenue Surrey, British Columbia V3T 5X3

Most property and casualty insurance companies in Canada are required to be members of the industry insurance compensation program for insolvencies.

Property and Casualty Insurance Compensation Corporation	Website: http://www.pacicc.com
Telephone (Inquiries):	416 364-8677
Toll Free:	1 888 564-9199
Fax:	416 364-5889
E-mail:	info@pacicc.ca
Mailing Address:	Suite 210 - 20 Richmond Street East Toronto, Ontario M5C 2R9

Most British Columbia insurers that sell life, accident and sickness insurance to the public must be members of:

Canadian Life and Health Insurance Compensation Corporation	Website: http://www.compcorp.ca
Telephone (Inquiries):	416 777-2344
Toll Free:	1 800 268-8099
Fax:	416 955-9688
E-mail:	info@compcorp.ca
Mailing Address:	Suite 1600, 1 Queen Street East Toronto, Ontario M5C 2X9

FINANCIAL INSTITUTIONS COMMISSION
CONTACT INFORMATION

Including:

- The Superintendent of Financial Institutions
- The Superintendent of Pensions
- The Superintendent of Real Estate
- Registrar of Mortgage Brokers
- Credit Union Deposit Insurance Corporation

Address: Suite 1200, 13450 102nd Avenue
Surrey, British Columbia V3T 5X3

Telephone: 604 953-5300

Facsimile: 604 953-5301

Email: FICOM@ficombc.ca

Website: http://www.fic.gov.bc.ca

Financial Services Tribunal

FICOM houses the FST. Created to partially replace the Commercial Appeals Commission, the FST hears appeals from individuals and institutions who want to contest enforcement decisions made by the Insurance Council of British Columbia, Real Estate Council of British Columbia, Superintendent of Real Estate, Superintendent of Pensions, Registrar of Mortgage Brokers and Superintendent of Financial Institutions.

For further information, please contact the Deputy Registrar at 604 953-5300 or visit the website at www.fic.gov.bc.ca/fst

Notes

Notes

Visit our website:
www.fic.gov.bc.ca

Visit our website:
www.fic.gov.bc.ca

QP 4500129244